



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Vernon Azevedo
Winchester Municipal Utilities
150 North Main Street
P.O. Box 4177
Winchester, KY 40392-4177

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

April 3, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2005-00264
East Clark County Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 3, 2006.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

Vernon Azevedo
Winchester Municipal Utilities
150 North Main Street
P.O. Box 4177
Winchester, KY 40392-4177

William Ballard
General Manager
East Clark County Water District
118 Hopkins Lane
P. O. Box 112
Winchester, KY 40391

Honorable Deborah T. Eversole
Attorney at Law
Stoll, Keenon Ogden, PLLC
2650 AEGON Center
400 West Market Street
Louisville, KY 40202

Honorable John H. Rompf, Jr.
Attorney At Law
White, McCann & Stewart PLLC
125 South Main Street
P. O. Box 578
Winchester, KY 40392-0578

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EAST CLARK COUNTY WATER DISTRICT'S)	
PROPOSED REVISIONS TO ITS WHOLESALE)	CASE NO. 2005-00264
WATER SERVICE RATE)	

ORDER

On June 6, 2005, East Clark County Water District ("East Clark District") proposed to revise its published rate schedules to remove its rate for wholesale water service to Winchester Municipal Utilities ("WMU") retroactive to January 1, 2005. East Clark District contended that the Commission approved the elimination of this rate in Case No. 2004-00455¹ and that the proposed revision merely effectuated the Commission's decision and "corrects" East Clark District's filed rate schedules.

After receiving objections from WMU regarding the proposed revision and reviewing our Orders in Case No. 2004-0455, the Commission refused to permit the proposed revision to become effective retroactive to January 1, 2005 as a clerical correction. We further found that as East Clark District had not provided the notice that KRS 278.180(1) requires or submitted tariff sheets stating a valid effective date as Administrative Regulation 807 KAR 5:011, Section 6, requires, the proposed rate revision would not become effective until the Commission expressly grants its approval or 10 months elapses from the proposed revision's filing. KRS 278.190(2) and (3).

¹ Case No. 2004-00455, Purchased Water Adjustment of East Clark County Water District (Ky. P.S.C. Dec. 22, 2004).

Following this action East Clark District filed with the Commission a formal complaint against WMU.² In its lengthy complaint, East Clark District alleged, *inter alia*, that WMU had violated the terms of the parties' purchase water contract by unilaterally reclassifying East Clark District to a retail customer and that such action authorized a similar reclassification of WMU by East Clark District. East Clark District requested, *inter alia*, that the Commission approve East Clark District's proposed reclassification of WMU and require WMU to pay retail rates for water service that East Clark District provides.

Based upon our review of the pleadings in both proceedings, we find that the issues that East Clark District raises in this proceeding are virtually identical to those raised in its complaint in Case No. 2005-00322. We further find that because Case No. 2005-00322 allows both parties greater opportunities for discovery and presentation of their positions and that examining those issues in that proceeding will result in a more efficient and thorough examination of East Clark District's claims without prejudicing either party's interests, the current proceeding should be dismissed without prejudice and all issues raised in this proceeding should be addressed in Case No. 2005-00322.

IT IS THEREFORE ORDERED that:

1. East Clark District's proposed elimination of its wholesale water service rate is denied without prejudice.
2. This proceeding is closed and shall be removed from the Commission's docket.

² Case No. 2005-00322, East Clark County Water District v. City of Winchester, Acting By and Through Winchester Municipal Utilities Commission (Ky. P.S.C. filed Aug. 1, 2005).

3. Nothing contained in this Order shall be considered an adjudication of the merits of East Clark District's proposed revision.

Done at Frankfort, Kentucky, this 3rd day of April, 2006.

By the Commission

ATTEST

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and flourishes, is written over a horizontal line. The signature is positioned to the left of the text 'Executive Director'.

Executive Director